IN THE HIGH COURT OF JUDICATURE OF BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.813 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.917 OF 2007

In the matter of Sections 391 & 394 read with 78 and 100 to 103 of the Companies Act, 1956;

And

In the matter of Scheme of Arrangement between Zicom Electronic Security Systems Limited and Zicom Global Security Private Ltd. and their respective shareholders.

Zicom Electronic Security Systems Ltd...Petitioner.

Ms.Alpana Ghone i/b. Hemant Sethi for Petitioner.

Mrs. S.V.Bharucha a/w. Mr.N.D.Sharma & Nisha Valani for Regional Director.

CORAM: A.M.KHANWILKAR,J

DATE : NOVEMBER 23, 2007.

P.C. :

1. The only objection taken on behalf of the Regional Director is with reference to the averments made in paragraph-6 of the affidavit of the Regional Director to the effect that the Petitioner-company ought to follow procedure as prescribed under Section 293(1)(a) of the Companies Act instead of Provisions of Section 391 to 394 of the Act. Similar objection was considered by this Court in the matter of **Tata**

Net Services Ltd.in Company Petition No.758 of 2005 and rejected by Order dated 3rd March, 2006.

2. I am in agreement with the view so taken by this Court. Merely because two modalities are available to the parties, that cannot be the basis to hold that the proposed scheme cannot proceed under Section 391 and 394 of the Act. The argument canvassed on behalf of the Regional Director that by accepting petitioner's claim in the present proceedings, there will be loss to the exchequer and result in deprival of VAT and Capital Gains taxes, cannot be the basis to hold that the scheme is not in the interest of the company or prohibited by any express provision of law.

3. Thus understood, I find no impediment in accepting the scheme. As no other objection is forthcoming from any other objector or for that matter Official Liquidator and the Regional Director, Petition is made absolute in terms of prayer clauses (a) to (c).

4. The Petitioner to pay costs of Rs.5,000/- to the Regional Director within four weeks.

5. Filing and issuance of drawn up order is dispensed with.

6. All authorities concerned to act on an authenticated copy of this order issued by the office of this Court.

(A.M.KHANWILKAR,J)